

Revised

Fiscal Note

2017-2018 Legislative Session

HF1358 - 0 - "Sp Overweight Permits - Construction Mats"

Chief Author: **Dave Baker**
 Committee: **Transportation Finance**
 Date Completed: **03/02/2017**
 Agency: **Transportation Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
County State Aid Highway	-	-	-	-	-	-
Trunk Highway	-	71	36	36	36	36
Total	-	71	36	36	36	36
Biennial Total			107			72

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
County State Aid Highway	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Stewart McMullan Date: 3/2/2017 9:24:50 AM
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Revised

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
County State Aid Highway	-	-	-	-	-	-
Trunk Highway	-	71	36	36	36	36
Total	-	71	36	36	36	36
Biennial Total			107			72
1 - Expenditures, Absorbed Costs*, Transfers Out*						
County State Aid Highway	-	490	490	490	490	490
Trunk Highway	-	71	36	36	36	36
Total	-	561	526	526	526	526
Biennial Total			1,087			1,052
2 - Revenues, Transfers In*						
County State Aid Highway	-	490	490	490	490	490
Trunk Highway	-	-	-	-	-	-
Total	-	490	490	490	490	490
Biennial Total			980			980

Bill Description

House File 1358/ Senate File 1063 would create a new annual permit type for overweight vehicles hauling construction materials, and defines this term to include, highway construction materials, building construction materials, and associated demolition materials, including but not limited to aggregate material, hot mix asphalt, plastic concrete, cementitious materials, concrete admixtures, asphalt cement, construction demolition materials and recycled road materials. In addition, permits issued by MnDOT under this section would be valid on all paved or unpaved streets and highways excluding interstate highways regardless of jurisdiction, but subject to road postings. This section would be effective following enactment

Assumptions

Under current law, overweight vehicles hauling raw or unprocessed agricultural products pay for an annual overweight permit to haul these goods on paved streets and highways other than interstate highways. The permit costs \$300 for six-axle vehicles weighing up to 90,000 pounds (99,000 pounds during seasonal increases) and \$500 for seven-axle vehicles weighing up to 97,000 pounds (99,000 pounds during seasonal increases). This bill would create a new permit type for overweight vehicles hauling construction materials.

MnDOT cannot reasonably estimate the additional number of permits would occur under this bill. However, we have received a rough estimate of 200-500 aggregate and ready mix trucks. For illustrative purposes, we'll assume the total number to be four times that 800-2,000 trucks; an average of 1,400 per year. Based on the agricultural products overweight permits issued in 2016, we will assume 75% will be six-axle vehicles and 25% will be seven-axle. This would be an additional 1,050 permits for six-axle vehicles costing \$300, and an additional 350 permits for seven-axle vehicles costing \$500 being issued each year, and we will assume this begins in fiscal year 2018.

The permit revenue is deposited in the town bridge account for inspection and posting weight limits for town bridges.

The expenditure assumptions to process the additional permits are:

.5 transportation generalist at \$23 per hour X 50% additional for overhead (fringe benefits, equipment, supplies, etc.). More full time employees will not be needed, as most permits will be issued online.

1.5 temporary employees for 6 months at \$13 per hour to deal with the initial volume, many questions, etc.

Programming changes to the permitting system: \$10,000 of outside contractor costs (based on previous change costs), as well as deployment work by IT Services for the change, including System Administration, Database, Production Release

Revised

and Testing that MN.IT Development estimates at \$5000. Total IT charges: **15,000**.

The 2006 Truck Size and Weight Project final report concluded that decreasing axle weights and reducing the number of trucks traveling would, on a net basis, reduce impact on pavements. A recent comprehensive federal study was inconclusive for these truck configurations. Any benefit to MnDOT would be used to fill other trunk highway maintenance needs, and won't be estimated for this fiscal note. In addition, since it would be impossible to determine how much and whether there would be a benefit to MnDOT if fewer truckloads were needed for MnDOT contracts, that will not be estimated either.

Expenditure and/or Revenue Formula

Additional revenues from overweight permits:

1,050 permits @ \$300 = \$315,000

350 permits @ \$500 = \$175,000

Total annual revenue and expenditures = \$315,000 + \$175,000 = **\$490,000**

The permit revenue is deposited in the town bridge account in the County State Aid Fund for inspection and posting weight limits for town bridges.

Additional expenditures to the Trunk Highway Fund:

Ongoing costs:

Additional .5 FTE X \$48,000 + 50% overhead = \$36,000

One-time costs:

Temporary employees: 1.5 X \$13 X 1040 hours = \$20,280

System changes: \$15,000

Total one-time costs: \$35,280

Total FY2018 Trunk Highway Fund Costs - **\$71,280**; FY2019-2021 = **\$36,000**

Long-Term Fiscal Considerations

These additional revenues and expenditures would continue in future years

Local Fiscal Impact

The additional permit revenue would be used for local government needs from the town bridge account inspection and signing account, and local bridges may need additional load ratings or repairs.

References/Sources

MnDOT Office of Freight and Commercial Vehicle Operations (OFCVO)

MnDOT Office of Bridges

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